



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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To: Jim Nye, Director
Outstate Operations
Field Operations Administration

Date: March 25, 2002

From: Rita Barker, Director
Office of Internal Audit

Subject: Alcona County FIA
Audit # 2002-031

The Office of Internal Audit performed an audit of Alcona County FIA for the period October 1, 2000 through October 31, 2001. The objectives of our audit were to determine if internal controls in place at the local office provide reasonable assurance that departmental assets are safeguarded, transactions are properly recorded on a timely basis, and policies and procedures of the Michigan Family Independence Agency (FIA) are being followed. Alcona County FIA had 15 full time equated positions (FTE's) at the time of our audit. Alcona County FIA provided assistance to an average 659 recipients per month during FY 2000, with total assistance payments of \$727,142 during that year.

Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We obtained descriptions of significant systems operation at the Alcona County FIA, documented those systems, and evaluated controls in each system. We tested the systems for compliance, where feasible. Our audit included the following:

| | |
|--------------------------------------|-----------------------------|
| Cash Receipts | Cash Disbursements |
| Safe and Controlled Documents | Medical Transportation. |
| State Emergency Relief (SER) | Client Processing |
| CIS/ASSIST | Employment Support Services |
| IRS Information Security | Payroll and Timekeeping |
| Procurement Card | General Ledger |
| Modified Accrual Basis Balance Sheet | Contracting |
| State Car Usage | |

Based on our audit, we concluded that the Alcona County FIA internal controls were adequate to provide management with reasonable assurance that assets are safeguarded and

transactions are executed in accordance with management's authorization.

Please contact me if you have questions concerning this audit.

c: M. Jasonowicz

C. Bryant

B. Denemy

A. Shah

L. Stibitz